In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities'Act, 1955 to take action against black marketing of domestic LPG Similarly, the Weights and Measures Departments of the States/UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Goverments have been alerted from time to time to take steps against the black-marketing/diversion of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity/malpractice to the OMCs.

The officials of OMCs carry out random checks at distributors godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the costomers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.

Hike in fuel price

56. SHRI RAMDAS AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that his Ministry has earned Rs. 40,000 crores, through the tax revenue due to increase in the international prices of oil;

(b) whether the Expenditure Finance Commission has suggested to the Central Government to adopt the policy of revenue neutralization before effecting a fuel price as well as removal of *ad-valorem* surcharges thereon; and

(c) if so. whether Government would take into consideration the above mentioned facts as well as consult all political parties/groups before increasing fuel prices in future?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The amount of custom duty and excise duty paid by the Public Sector Oil Companies during the period of Apr-Dec' 06 and Apr.-Dec' 07 are given below:

(Rs. in crore)

	Custom Duty	Excise Duty	Total
Apr.-Dec' 06	7632.23	42117.96	49750.19
Apr.-Dec'07	7804.32	44123.07	51927.39

1. Excise Duty includes OIDB Cess paid by oil companies

2. The above data has been provided by oil companies.

(b) and (c) As regards the need for tax rationalization, the Government has already taken a series of measures to reduce the burden of taxation on petroleum products. The customs and excise duties on kerosene and LPG have been reduced from 10% and 16% respectively, to nil. LPG has been made a 'declared good' with a maximum Sales Tax/VAT of 4%. The Government has also reduced the customs duty on petrol and diesel from 20% to 7.5%. The *ad-valorem* component of excise duty on petrol and diesel has been reduced from 32% and 16% respectively, to 6%. The custom duty of crude oil has also been reduced from 10% to 5%.

In view of very high international crude oil prices, Government has increased the prices of petrol and diesel by Rs. 2/litre and Re/1/litre respectively with effect from 15.2.2008 which is actually in the nature of a partial restoration of retail prices, to the price level operating before February, 2007.

Low production of LPG by public sector refineries

57. SHRI RAJKUMAR DHOOT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there has been a shortfall in production and distribution of LPG in public sector refineries during first month of 2008;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken to normalize production and distribution of LPG?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The actual LPG production at Public Sector Refineries of Indian Oil Corporation Ltd. (IOCL) and Hindustan Petrolum Corporation Ltd. (HPCL) was higher than the planned production for the month of January, 2008. However, Bharat Petroleum Corporation Ltd. (BPCL) has reportedthat there was a shortfall in LPG production due to unplanned shut down of one of the units at Mumbai Refinery.

Although, LPG inventories were comfortable, backlog did develop during end January; 2008 due to following reasons:

* Reduced LPG production/offspec LPG at Essar Oil during the first 20 days of January, 2008 by about 17 thousand metric tonnes *(TMT).*
* Delays in movement of bulk LPG by rail from Jamnagar to the Northern Region.
* Increased demand due to extreme and prolonged cold weather conditions and frequent power cuts in Northern Region.
* Panic booking in some parts of the country due to media news on expected increase in LPG refill price.

(c) Import of additional quantity of LPG have been tied up on industry basis by IOCL, HPCL and BPCL during January, 2008 to March, 2008 to improve the all India inventory levels and also to meet the increased demand.

Hike in price of natural gas

t58. DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

† Original notice of the question was received in Hindi.